

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA,

Plaintiff,

VS.

NORWOOD JEWELL,

Defendant

CASE NO.: 19-cr-20146

HONORABLE PAUL BORMAN

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**DEFENDANT'S SENTENCING MEMORANDUM**

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In the early morning hours of April 15, 1912, Captain Edward Smith, along with hundreds of others, died in the frigid waters of the northern Atlantic Ocean. Two-and-a-half hours prior, the ship he captained—the RMS *Titanic*—struck an iceberg. It quickly became apparent that the ship had taken on more water than it could handle and that it would sink. There weren't enough lifeboats for everyone, meaning some had to die by necessity. Accepting responsibility for his role as the ship's captain, Smith decided he'd be among the dead.

There is a grave, cruel irony to this fate, too. Days prior, shortly after the *Titanic* left the port of Southampton, Captain Smith deftly avoided a separate collision. His ship had displaced so much water that it caused a separate ship to become unmoored. It headed straight for the *Titanic*. Thanks in part to a nearby tugboat captain and in part to Captain Smith's orders to maneuver the *Titanic* a certain way, the two ships missed each other by only a few feet.

While avoiding this collision and then going down with the ship were heroic acts, this is not to say Captain Smith is a hero. The deaths of 1,500 people resulted from his and his crew's deliberate choices. Days before the *Titanic* went down, others who'd traveled the same route reported ice in the area. No matter. The *Titanic*—at the time the largest ship on earth, with the most inertia on earth—proceeded at almost maximum speed through the icy waters. Hindsight tells us how reckless this was.

But if Captain Smith knew then what's so obvious now, no one would remember the *Titanic*. What often gets lost in the retelling of the *Titanic*'s fate is the fact that this could have happened to any other ship traveling the North Atlantic at the time. Moving at a high speed through dangerous waters was the norm, the rule. There was a culture of recklessness among liners at the time. Expediency and sticking to the schedule were the prized virtues; safety was not. The surest safeguard for avoiding disaster was relying on the lookouts to correct course short of collision. Some captains had even previously struck icebergs at full speed but still made it to port.

Operating in a culture of recklessness, commanding the greatest ship in the world that catered to some of the wealthiest people in the world (and that was due in New York on a certain date at a certain time), with the eyes of the world on him and his ship, it's small wonder Captain Smith sailed full speed through those icy waters. It was inevitable, perhaps. Yet history has remembered Captain Smith as somewhere between reckless showoff and stoic hero. Often forgotten is the culture he'd been dropped into.

Much the same can be said for Norwood Jewell. He is now before this Court for conspiring to violate the Labor Management Relations Act and committing an overt act in furtherance of the conspiracy, contrary to 29 U.S.C. § 186(a)(2), (b)(1), and (d)(1). He's here because he spent money he shouldn't have spent. That part is beyond dispute, but the context surrounding his misdeeds needs investigating. As with any narrative, setting is important.

Norwood Jewell as "captain of the ship" has accepted full responsibility for his actions and for not doing enough to monitor his subordinate's behaviors and misdeeds. Many things have been said and written about Jewell's role in this vast culture and the way business was conducted between the UAW and the various auto companies. Some of it true, some of it not.

Norwood Jewell fully accepted his role and responsibility in paragraph 38 of the Rule 11 Plea Agreement. Unfortunately, this version is not reported in the various newspapers or in the fifteen second soundbites on the local television stations. This

version is not even included in the Pre-Sentence Investigation Report presented to this Court.

In presenting the Pre-Sentence Report and the offense conduct for this Court's consideration, paragraph six indicates where the compilation of information was received as follows:

“The following is a compilation of information received from the United States Attorney's Office; which includes information from the Internal Revenue Service Criminal Investigation, Federal Bureau of Investigation (FBI); and the United States Probation Department's review of available case materials.”

Many of the statements and versions of other individuals involved and sentenced before this Court are disputed as they relate to Norwood Jewell. Not the fact that Jewell committed a crime and must face sentencing before the Court, but the context and facts presented before Your Honor.

The Defense likely has not seen most of the reports relied upon by the United States Probation Department as they involved other defendants and information gleaned from on-going investigations. This Court has decades of experience both as a United States Attorney and a Federal Defender and is aware of the fine line a defendant must walk before a sentencing judge of accepting responsibility, remorse, yet giving his truthful version of the events.

Paragraph 38 of the Rule 11 Plea Agreement is Jewells' version of events and how they occurred. The facts admit crimes and explain his position. This paragraph was included in the Rule 11 Plea Agreement with the agreement of the Government.

While reasonable minds may differ as to the facts in a particular case, it is clear that the Government and Defense have presented their respective versions to the Court in an honorable and respectful manner. Given this Court's vast experience on both sides of the aisle, it is believed that this version will not be taken as a lack of acceptance of misdeeds, responsibility or remorse but as an honest and intellectual disagreement as to some of the facts of how the crimes were committed.

Norwood Jewell's factual basis for his plea and position of his role in this conspiracy for sentencing purposes remains the same as stated in Paragraph 38 of the Rule 11 Plea Agreement.

**Norwood Jewell** was assigned to the UAW Chrysler Department in June of 2014 and was not familiar with any of the UAW Chrysler or FCA staff in place. Unbeknownst to **Jewell**, he entered a "culture of corruption that existed between Alphons Iacobelli and other FCA officials and former UAW Vice President General Holiefield and other members of this staff – most of whom were inherited by **Jewell**. **Jewell** asserts that this corruption was ongoing and intentionally concealed from him. Even though he was unaware of this corruption, **Jewell** immediately made significant changes in the UAW Chrysler leadership and servicing staff. Iacobelli and members of his staff inhibited financial auditing of the NTC as had been requested by the UAW and **Jewell** himself. After FCA released Iacobelli from employment in June of 2015, the UAW and FCA began to further change the operation of the NTC. In September of 2015, during negotiations, the UAW's goal of an annual financial audit was agreed to and a reputable company was hired to perform the first financial audit in many years. The financial audit revealed many inappropriate expenditures that had been concealed from **Jewell**. Led by **Jewell** and the FCA co-director of the JAB of the NTC, the JAB immediately began the process of implementing new policies and procedures to ensure compliance with LMRA. **Jewell** began the process of replacing UAW NTC board members immediately and by the end of 2015 the entire NTC JAB had been replaced. Even though many significant changes were made

during the first year and one half of his tenure, **Jewell** acknowledges several violations of the LMRA.

There was a lack of apportionment between what should have been charged to the UAW and the NTC, and this lack of apportionment of funds clearly violated the LMRA. As the UAW Vice President of the Chrysler Department, **Jewell** understands the perception these violations of the LMRA created to UAW membership and the public and accepts full responsibility.

**Jewell** asserts that his conduct as a Vice President of the UAW was not influenced in any way by the items described in the Factual Basis section above. His actions as Vice President were always done in the best interest of the UAW, its rank and file members, and their families. Although acknowledging that he violated the Labor Management Relations Act and taking responsibility for his own conduct, **Jewell** in no way intended to aid FCA or to harm the UAW or its members. In partial mitigation, **Jewell** contends that some of the violations of the Labor Management Relations Act described above were the result of the actions and decisions of subordinates in the UAW Chrysler Department who were seeking to benefit themselves or were overzealous in seeking to advance what they perceived to be in **Jewell's** interests. **Jewell** acknowledges that Iacobelli and other FCA executives have sought to provide things of value to UAW officials in an effort to influence those officials, but **Jewell** contends that it was never his intent to be influenced in any way by the actions of Iacobelli or other FCA executives. In particular, **Jewell** contends that his decisions during the 2015 collective bargaining negotiations were not affected by the activity described above or the efforts of Iacobelli.

Norwood Jewell is not a man of opulence. Quite the opposite: he's a man of rather simple tastes. He's a Miller Lite kind of guy. And he's very much a General Motors guy. Jewell lives in a modest house in an unspectacular town and drives a truck that is more than five years old. Unlike some of the other conspirators, Norwood Jewell doesn't have a Ferrari, he doesn't use a Mont Blanc pen and he has a mortgage on his home. He takes pleasure in, and great pains for, his family. He has a wife who has stood by him during the most trying time of his life. He has two sons who followed into dad's

footsteps at GM. Jewell takes care of his mother—who has back problems, Parkinson’s, and heart troubles—and his father—who is blind. And Jewell gets no small amount of joy every time he gets to watch his grandchildren, which happens frequently.

Norwood is also a good steward of the things he’s responsible for in this world. Again, his parents’ health is failing them, and he tends to their needs. He gets them to their appointments and makes sure their prescriptions are filled. He also tends to his community. Jewell has served on boards for Health Plus of Michigan, Blue Cross Blue Shield of Michigan, UAW Retiree Medical Benefit Trust, Health Alliance Plan Labor Advisory Board, the A. Philip Randolph Institute, the Foundation for Mott Community College, the Genesee County Education Foundation, Food Bank of East Michigan Council of Leaders, and Genesee–Shiawassee Michigan Works. He either went uncompensated or donated his compensation for his role on almost all of these boards.

Jewell has served in other capacities for the Food Bank of East Michigan, the Arthritis Foundation, the United Way, the Old News Boys, Crossover Downtown Ministries, the Genesee County Education Foundation, Foundation for Mott Community College, the Cathedral of Faith Ministries Church of God’s summer programs, the Flint-area Boy Scouts, the Ennis Center for Children, the Lansing-area Food Bank, Gleaners Food Bank, Warren Elementary School, Chandler Park, and the School to Work Program at Hazel Park High School. When his city was in trouble, he helped get clean water to thousands of poisoned Flint residents.

If the Court requires even more information on what Norwood Jewell has meant to his community, the attached letters should help.

It is apparent that this picture doesn't square with the ladder-climbing big spender that Jewell has been portrayed by the press and the defendants who have come before him. How could a GM guy, a Miller Lite guy, a family man, a community caretaker like Norwood Jewell become the face of union corruption? Much the same way a seasoned ship captain like Edward Smith can become the face of heedless seamanship. Culture.

Unlike Captain Smith, though, Jewell found himself in a culture he was previously unfamiliar with. Again, Jewell is a GM guy—always has been. Yet his ascent through the ranks of the UAW ultimately landed him in charge of the Fiat Chrysler Department (FCA). In June 2014, he sailed into the icy waters already occupied by Alphons Iacobelli, General Holiefield, Jerome Durden, Monica Morgan, Keith Mickens, Michael Brown, Virdell King, and Nancy Johnson. The lavish expenditures, the fine cigars, the rounds of golf, the steakhouse dinners—those things were commonplace long before Jewell got to FCA. Jewell, new to the role, relied “upon the lookouts to correct course short of collisions”. Unfortunately for Jewell, his “lookouts” did not protect him from collision but continued full speed ahead.

Sensing that not all was aboveboard, though, Jewell was stern in his demands to have an audit done, and he eventually convinced FCA to bow to the request. The audit proved Jewell right, revealing improper expenditures; he got to work cleaning things

up. He helped spearhead the implementation of new policies and procedures to *ensure* compliance with the Labor Management Relations Act, not to skirt it. He tended to the National Training Center's (NTC's) board by weeding out the problems. Which led to a brand-new board.

But he still spent money he oughtn't have spent. He authorized some of the fancy dinners and the golf and the premium liquor (though he personally stuck to Miller Lite), and he charged those expenditures solely to FCA through the NTC. Despite his best efforts to clean up the "culture of corruption" under Iacobelli and Holiefield, he knowingly signed off on expenditures that the law didn't allow for.

He deftly avoided catastrophe in the first instance by demanding a financial audit and by acting on its results, but Jewell still sped through the waters he found himself in. Like Captain Smith, he knew there was danger ahead. But Jewell signed off on the expenditures and charged them to FCA because that's the way he was told it was done. That was the culture of the day. Hindsight tells us that he should have known better and done better, that he acted recklessly, and that *of course* he was courting disaster. The "culture of corruption", though, explains why Jewell acted as he did, just as it explains why Captain Smith acted as he did.

The Government has rightly exposed and cleaned up this way of doing business. Jewell resigned in disgrace after an impeccable career, the UAW has made drastic internal changes and it was reported that FCA has set aside 50 million dollars to potentially resolve its role in these offenses. But just as Captain Smith's saving the

*Titanic* the day it set sail does not absolve him of his responsibility for the ship's ultimate demise, Jewell's efforts to get things in order at the NTC do not absolve of him of his responsibility here. And like Captain Edward Smith, Norwood Jewell is ready to go down with his ship, in part because he relied upon his "lookouts" to correct course short of collision.

Fortunately for all involved, Jewell needn't endure so grave a punishment. But a just punishment he must endure.<sup>1</sup> And he should be deterred from committing future crimes.<sup>2</sup> So should others,<sup>3</sup> and others should also see that the respect for the law is being promoted.<sup>4</sup> But as always, this Court must craft a sentence that is "sufficient, but not greater than necessary, to comply with the[se] purposes."<sup>5</sup> The Court must also consider not only the nature and circumstances of this offense, but also the characteristics of Norwood Jewell.<sup>6</sup>

There are few limits on what factors this Court can consider when looking at the history and characteristics of a defendant in deciding what a just sentence is. The Court has broad discretion. This Court can look at a defendant's charitable service or good

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<sup>1</sup> 18 U.S.C. 3553(a)(2)(A).

<sup>2</sup> 18 U.S.C. 3553(a)(2)(B).

<sup>3</sup> *Id.*

<sup>4</sup> 18 U.S.C. 3553(a)(2)(A).

<sup>5</sup> 18 U.S.C. 3553(a).

<sup>6</sup> 18 U.S.C. 3553(a)(1).

works,<sup>7</sup> employment record,<sup>8</sup> family responsibilities,<sup>9</sup> and nonviolence. When looking at those things, this Court ought to view Norwood Jewell quite favorably. He's sat on the boards of more charities than many people donate to or volunteer for in a lifetime. He's helped charities in other ways too, including in the all-important goal of fundraising. He helped deliver clean water to the people of Flint. And speaking of Flint, that's the area where he's from, has always lived, and always plans to be. That's where his entire family and support system are. While Jewell's employment record since 2015 is why he's before this Court today, that record still speaks positively of him over all. Through good, old-fashioned blue-collar grit, Jewell rose through the ranks of General Motors and the UAW. Even when in his position at Chrysler, he strove to use his position to better the working families of those he represented on behalf of the UAW.

Jewell also has many family responsibilities to attend to. He regularly watches his grandchildren not only for his own sake, but also to help out his working sons. And he has taken up the mantle to care for his aging, ailing parents. If Jewell is sent to prison, his parents will undoubtedly not receive the care that they are currently receiving.

So what sentence is sufficient, but not greater than necessary, to justly punish Norwood Jewell and promote respect for the law? Home confinement will do. This is

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<sup>7</sup> United States v. Crouse, 145 F.3d 786, 790 (6th Cir. 1998).

<sup>8</sup> United States v. Kuhn, 351 F. Supp. 2d 696 (E.D. Mich. 2005).

<sup>9</sup> United States v. Menyweather, 431 F.3d 692, 700-01 (9th Cir. 2005) (noting that while family responsibilities are not ordinarily relevant under the Sentencing Guidelines, they can be considered under the "broader appraisal" of § 3553 factors) (cited approvingly by *United States v. Hussein*, 478 F.3d 318, 329 (6th Cir. 2007)).

not to say the offense he committed isn't serious or that the Court ought to look the other way. But when looking at the type of punishment needed, just a felony conviction and the reputational harm done to Jewell has sent the message. Prison is greater than necessary.

Perspective is also important in this case. Terrible mistakes in judgment centered around opulent meals, luxury accommodations and golf should not outweigh a lifetime of honorable services to his community and the Union he so dearly loves. Prison should be reserved for the violent, the unrepentant and the repeat offender.

This Court is fully aware of all the related cases that have come before it. Jerome Durden for his role received a variance from the sentencing guidelines. Alphons Iacobelli for his role received a variance from the sentencing guidelines. Monica Morgan for her role received a variance from the sentencing guidelines. Virdell King for her role received a variance from the sentencing guidelines. Keith Mickens for his role received a variance from the sentencing guidelines and it is expected that Nancy Johnson is soon to receive a government recommended reduction from her calculated guidelines range. A variance from the sentencing guidelines for Norwood Jewell would avoid unwarranted sentencing disparities between the defendants who have already been sentenced.

However, should this Honorable Court reject Jewell's argument for a variance pursuant to the §3553 factors, this Court could still base a guideline sentence of some imprisonment that includes a term of supervised release with a condition that

substitutes community confinement or home detention ... provided that at least one-half of the minimum term is satisfied by imprisonment.<sup>10</sup> Jewell's guideline range is 12-18 months which is in "Zone C" of the Sentencing Table. Therefore, a guideline sentence pursuant to the Rule 11 Plea Agreement could include a six-month period of home detention. Jewell is plainly a low risk for recidivism and doesn't need to be deterred, if for no other reason than he most likely won't ever again be in a position to commit similar future crimes. As to deterring others, the mere prospect of a prison sentence can deter other would-be white-collar offenders.<sup>11</sup> Prison time in any amount, especially a lengthy term, is greater than necessary.

Norwood Jewell should not be defined by his most regretful actions. He has lived a stellar and admirable life. He has dedicated his life to the common man. He is not a danger to the community and his felony conviction and fall from grace is a major deterrent to others. It is in our community's best interest that this Court exercise its vast wisdom, considerable experience and judgment and vary from the sentencing guidelines.

For the reasons stated in this brief and the impressive and widespread community support as evidenced by the letters submitted to this Court, Norwood Jewell respectfully asks this Court to vary from the sentencing guidelines and sentence

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<sup>10</sup> U.S. Sentencing Guidelines Manual §5C1.1(d)

<sup>11</sup> See Dustyn Coontz, Article, *Beyond First Blush: The Utility of Shame as a Master Emotion in Criminal Sentencing*, 2015 Mich. St. L. Rev. 415, 437-38.

him to a sentence of home detention as a condition of formal probation. A period of home detention, even a lengthy one, would serve the ends of justice and the factors this Court is required to consider. Although this would be below the low end of the sentencing guidelines, this Court is free to vary downward from those guidelines when the occasion calls for it. For Norwood Jewell, the occasion calls for it. Prison is a sentence greater than necessary. Even if the Court were to disagree, it would not take much prison time to adequately punish Jewell and send the appropriate message. Whatever the Court's decision, Jewell, as an honorable leader, is prepared to go down with the ship that the Government has effectively sunk.

Respectfully submitted,

Dated: July 29, 2019

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**CERTIFICATION OF SERVICE**

I certify that on 7-29-19, I electronically filed this document with the Clerk of the Court using the ECF system which will send notification of this filing to:

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Dated: July 29, 2019

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